

19

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
COMMUNICATING THE LOCAL SUPPORT OF THE ELECTED OFFICIALS
FOR (SB 680)

WHEREAS, Santa Clara County is a county within the State of California; and

WHEREAS, Santa Clara County is the largest and most populous county in Northern California with highly urbanized, rural, and mountainous areas; and

WHEREAS, the locally owned and operated County Expressway system, local arterials and rural county roads are the workhorses of Santa Clara County's road system, carrying the vast majority of all trips by all modes other than rail; and

WHEREAS, the Caltrain rail system relieves pressure on Santa Clara County's local roadway by replacing medium distance auto trips; and

WHEREAS, the County Expressways, local arterials, county roads and the Caltrain system are in need of improvement, modernization and upgrades to the traffic signal systems; and

WHEREAS, the lack of adequate litter control and landscaping restoration on the state highways and County Expressway systems is creating aesthetic and environmental problems;

WHEREAS, state and federal funding for transportation projects have been inadequate to meet Santa Clara County's transportation needs; and

WHEREAS, current local funding sources are inadequate to fill the gap; and

WHEREAS, other counties within the State of California have enacted temporary supplements to the Vehicle Registration Fee (VRF) levied on vehicles registered within their borders to meet local transportation needs; and

WHEREAS, SB 680 proposes a five-dollar (\$5) supplement to the VRF on vehicles registered within Santa Clara County for a term of eight (8) years; and

WHEREAS, SB 680 proposes to use these funds for local transportation system improvements on the County Expressway System, local arterials, rural county roads and the Caltrain system and for litter control and landscape restoration on state highways and County Expressways; and

WHEREAS, City of Milpitas is an incorporated City within Santa Clara County; and

WHEREAS, the City Council of Milpitas wishes to submit a formal resolution of support to the State Legislature for SB 680:

NOW, THEREFORE, BE IT RESOLVED by the City Council that the City of Milpitas supports the goals of SB 680 and encourages the California State Legislature to adopt and the Governor of California to sign SB 680 into law.

PASSED AND ADOPTED this 15th day of March 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Gail Blalock, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

SB 680 Frequently Asked Questions (FAQ sheet)

Why did you decide to pursue this bill?

As you well know, Silicon Valley transportation needs far outstrip available funds. The diversion of Proposition 42 dollars to the state's General Fund over the last two years has compounded the problem. We are committed, as are many others, to increasing protections for Proposition 42 funds to ensure that they are spent for transportation purposes as the voters directed. But it will be some time before that improvement will be felt on the ground. In the meanwhile, local jurisdictions must continue to meet the local transportation needs of their citizens.

SB 680 is modeled after a bill that the San Mateo County City/Council Association of governments together with then-Assembly member Joe Simitian were able to successfully move through the legislature and get signed into law. By working together, San Mateo County's jurisdictions will be able to apply those funds to some projects that are of high priority to the jurisdictions in that county. By working collaboratively, Santa Clara County can accomplish the same objective. SB 680 will enable us to secure a modest amount of locally-controlled transportation funds that can help us move some critical congestion relief projects forward. The unanimous support of every jurisdiction in the county will be instrumental in making this bill a reality.

Why this revenue source? Is a vehicle registration fee the same as the vehicle license fee the Governor rolled back in 2004?

No. A vehicle registration fee is a flat annual fee imposed on registered motor vehicles. SB 680 proposes \$5 per vehicle.

The vehicle license fee (VLF) is an annual tax on the ownership of motor vehicles. The fee is based on a percentage of a vehicle's estimated value. According to the LAO, the estimated average VLF Paid on automobiles in 2000-01 was \$66, after the fee was reduced from two percent of a vehicle's current estimated value to 0.65 percent. At its height, the average fee was \$204.

What was the timeline/outreach process for this bill?

- In November 2004, after San Mateo County succeeded in winning passage of AB 1546, the Silicon Valley Manufacturing Group (SVMG) reached out to Senator Joe Simitian to see if he might be willing to carry a similar bill for Santa Clara County. The Senator said he was inclined to do so if all jurisdictions in the county were to support such an endeavor. This was key to the passage of San Mateo County's measure. The Senator asked SVMG to reach out to several county leaders, including the Chair and Vice Chair of the Santa Clara Valley Transportation Authority (VTA), Chair of the County Board of Supervisors, and several state legislators for their initial reaction to such an initiative. Their response was unanimously supportive.
- December 2004, Carl Guardino, SVMG's CEO, contacted all 15 incoming Mayors or Vice Mayors to let them know about the bill. Carl reached 13 of the 15 by phone. Each of those Mayors, Supervisors and VTA leaders was also sent a letter describing the bill and inviting them to join SVMG's Board of Directors at its next quarterly meeting on March 24 to discuss the bill and other issues we might collaborate on. The letter included a one-page fact sheet on the proposed bill.

- After these steps were taken, SVMG convened a Technical Advisory Committee (TAC) consisting of City and County Public Works and Transportation staff to develop the structure of the measure. Every jurisdiction was represented at the meeting or contacted between meetings for input on the plan.

- January-February 2005, SVMG reached out to Silicon Valley's State Assembly and Senate delegation. Nearly all Senators and the entire Assembly delegation agreed to co-author the bill with Senator Simitian. The list of co-authors includes: Senators Elaine Alquist and Liz Figueroa as principal co-authors and Assemblymembers Ira Ruskin, Joe Coto, Rebecca Cohn, Sally Lieber, John Laird, Alberto Torrico and Simon Salinas as principal co-authors.

- February 2005, after several meetings, the TAC reached consensus on an expenditure plan for SB 680. Next step: seeking resolutions of support for the bill from all jurisdictions in the county. The goal is to obtain this by mid-April, before the bill begins to be heard by Senate policy committees.

- February 22, 2005 Senator Simitian introduced Senate Bill 680.

**What was the process you went through to develop this expenditure plan?
Who was involved?**

SVMG reached out to every jurisdiction seeking participation on a technical advisory committee. Members of the VTA's Technical Advisory and CIP committees were specifically invited. The group determined what categories of projects could effectively be addressed with the relatively small amount of money to be generated by this fee (approximately \$7 million/year) that would also have the biggest impact.

The expenditure framework requires the funds to be spent on projects identified as a high priority by the county's jurisdictions through their inclusion in VTP 2030 and the Caltrain improvement plan. Other selection criteria include congestion relief, geographic equity, and cost-effectiveness.

Can such a relatively small amount of money have any real impact on our needs?

SB 680 will not solve Santa Clara County's transportation problems. But by working together we can secure funds that would otherwise not be available to us to address some high priority transportation needs. There are a number of modestly-priced but unfunded projects, such as signal coordination and traffic calming projects that could measurably reduce traffic congestion in the county. Jurisdictions also have the opportunity to pool funds or use them to leverage state and federal funds to advance larger projects. The latter would also provide some relief for local General Funds.

Under this expenditure framework, would local jurisdictions be able to combine projects or funding between categories to fund larger projects?

Yes. The primary goal of this measure is to assist local jurisdictions in completing much needed transportation improvements at a time when limited resources are available. The measure and the established funding categories are aimed at providing maximum flexibility to fund local improvements.

How will you ensure that funds will be equitably distributed to projects throughout the county?

The list of criteria for project funding eligibility includes geographic equity. As the fund manager for the program, VTA will review each project submitted for funding and will be responsible for ensuring that funds are broadly distributed. Additionally, local jurisdictions will have the opportunity to participate in the development of the criteria that VTA will use to select the projects funded via the competitive pool.

Why isn't street and road maintenance included?

Pothole and street maintenance repairs are high priorities in our county. But they are also high-ticket items. Given the modest stream of revenue this bill will generate, it would not be an effective source of funding for this major on-going need. Should there be a campaign for an additional transportation sales tax measure in the county, it would make sense to include this as an eligible purpose for those funds.

Why is litter cleanup/landscape restoration included?

The VTA's TAC has been looking for some time for a source of funds to help clean up litter and restore landscaping on some of the county's highways and expressways. Although highway maintenance is a state obligation, state funding cuts have significantly reduced if not eliminated these activities. The result is an eyesore. The county requires local jurisdictions to provide matching funds to provide these services on county expressways. Some communities have been able to provide those matching funds; others haven't.

The VTA's TAC identified the vehicle registration fee as the only funding stream that was flexible enough to be used for these purposes. VTA is conducting a study to see how this modest amount of money could be used most effectively to address this need. To achieve consensus, the SB 680 TAC included a modest amount of money in the bill's expenditure plan to begin to address this issue.

Why is Caltrain the only transit service funded in this bill?

Transit improvements are a key component of any comprehensive plan to reduce traffic congestion. However, for the vehicle registration fee to be considered a fee, rather than a tax, it must meet the nexus test—the funds must benefit those who pay the fee. The Legislative Council provided us with a preliminary opinion that said that vehicle registration fees could be used for transit improvements so long as the improvement improved capacity on a transit line that reasonably would relieve congestion on a congested parallel roadway. Recognizing the significant benefit that Caltrain provides to residents throughout the county, the expenditure plan included some funds for high priority capacity improvements along the line. If the final opinion of the Legislative Council departs from its initial read, these funds will be folded into the competitive pot. In addition, signal coordination and timing improvements are eligible for funding under the competitive and *pro rata* categories. These improvements are useful for motorists as well as bus rapid transit.

How would our community benefit?

SB 680 will enable Santa Clara County to move a number of high priority county projects forward, including Tier 1A county expressway projects. These are projects that will have a broad impact on the movement of goods and people throughout our county. In addition, local jurisdictions will have the opportunity to compete for funds for high priority local projects in the competitive pot and to select their own projects through their *pro rata* share.

Who already supports this bill?

Local public officials who have endorsed this bill concept to date:

- Chair and member Santa Clara County Board of Supervisors, Liz Kniss
- Santa Clara County Supervisor Don Gage
- VTA Board Chair and Los Gatos Councilmember Joe Pirzynski
- VTA Board Vice Chair and San Jose Vice Mayor Cindy Chavez
- San Jose Mayor Ron Gonzales

When do you plan to meet with other organizations on this bill?

SVMG will be speaking to the Legislative Committee of the Santa Clara County Cities Association on February 24, its Executive Committee on March 2 and its full board on March 10.

SVMG is also scheduled to speak to the Santa Clara Chamber of Commerce on March 1.

What is the schedule, as of now, when other jurisdictions will be considering this bill?

Below is the list of hearings scheduled to date.

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| March 1 | Gilroy study session |
| March 7 | San Jose City Council Better Transportation Committee |
| March 10 | MTA Technical Advisory Committee |
| March 14 or 21 | San Jose City Council |
| March 15 | Cupertino City Council |
| March 15 | Milpitas City Council |
| March 16 | Saratoga City Council |
| March 16 | Morgan Hill City Council |
| March 21 | Campbell City Council |
| March 21 | Los Gatos Town Council |
| March 22 | County Board of Supervisors |
| March 22 or April 12 (?) | Mountain View City Council |
| March 22 | Santa Clara City Council |
| April 7 | Caltrain JPB |